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HOUSE BILL 242

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Debbie A. Rodella

AN ACT

RELATING TO HEALTH CARE; CREATING THE DENTAL HYGIENIST STUDENT
LOAN FOR SERVICE ACT; CREATING A FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the
"Dental Hygienist Student Loan for Service Act".

Section 2. PURPOSE.--The purpose of the Dental Hygienist
Student Loan for Service Act is to meet the emergency currently
existing resulting from the shortage of dental hygienists in
certain areas of the state by increasing the number of dental
hygienists in these areas through a program of loans for dental
hygiene students. The program will require as a condition of
each loan that the student declare intent to practice as a
dental hygienist within one of the areas of the state
designated as an underserved area prior to the granting of the

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1 loan.

2 Section 3. DEFINITIONS.--As used in the Dental Hygienist
3 Student Loan for Service Act:

4 A. "dental hygiene education program" means a
5 dental hygiene education program in an institution accredited
6 by a member of the joint commission on dental accreditation;

7 B. "department" means the higher education
8 department;

9 C. "loan" means a grant of funds to defray the
10 costs incidental to a dental hygiene education, under a
11 contract between the department and a dental hygiene student,
12 requiring repayment with services or repayment with interest;

13 D. "student" means a resident of New Mexico who is
14 a student enrolled in a dental hygiene education program; and

15 E. "underserved area" means an area in New Mexico
16 designated by the department as one with a shortage of dental
17 hygienists.

18 Section 4. DENTAL HYGIENE STUDENT LOANS--DEPARTMENT
19 AUTHORIZED--QUALIFICATION.--

20 A. The department is authorized to grant a loan to
21 defray the expenses of the dental hygiene education program of
22 a student deemed qualified by the department to receive a loan
23 same, upon such terms and conditions as may be imposed by rules
24 of the department.

25 B. The department shall only receive, pass upon and

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1 allow or disallow those applications for loans made by those
2 students enrolled or accepted by dental hygiene education
3 programs who declare their intent to practice as licensed
4 dental hygienists upon graduation within underserved areas.

5 C. The department shall make a full and careful
6 investigation of the ability, character and qualifications of
7 each applicant and determine the applicant's fitness to become
8 a recipient of a loan. The department shall give preference to
9 qualified applicants who are unable, or whose parents or
10 guardians are unable, to pay the applicant's expenses in
11 obtaining a dental hygiene education.

12 D. The department shall arrange for loan recipients
13 to receive assistance in locating appropriate practice
14 positions in underserved areas.

15 Section 5. DENTAL HYGIENE STUDENT LOANS--CONTRACT TERMS--
16 REPAYMENT.--

17 A. Each applicant who is approved for a loan by the
18 department may be granted a loan, in such amounts and for such
19 periods as determined by the department, with which to defray
20 expenses incurred in obtaining a dental hygiene education at
21 any accredited dental hygiene education program in the United
22 States if the applicant files with the department a declaration
23 of intent to practice as a licensed dental hygienist upon
24 graduation in an underserved area.

25 B. The loan shall not exceed the necessary expenses

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1 incurred while attending a dental hygiene education program and
2 shall bear interest at the rate of:

3 (1) eighteen percent per year if the loan
4 recipient completes the dental hygiene education program and no
5 portion of the principal and interest is forgiven pursuant to
6 Subsection F of this section; and

7 (2) seven percent per year in all other cases.

8 C. Loans made pursuant to the Dental Hygienist
9 Student Loan for Service Act shall not accrue interest until:

10 (1) the department determines the loan
11 recipient has terminated the recipient's dental hygiene
12 education program prior to completion; or

13 (2) the department determines the loan
14 recipient has failed to fulfill the recipient's obligation to
15 serve in an underserved area.

16 D. The loan shall be evidenced by a contract
17 between the loan recipient and the department acting on behalf
18 of the state. The contract shall provide for the payment by
19 the state of a stated sum covering the costs of a dental
20 hygiene education program and shall be conditioned upon the
21 repayment of the loan to the state over a period established by
22 the department in consultation with the loan recipient after
23 completion of the dental hygiene education program and any
24 period of internship or residency required to complete the loan
25 recipient's dental hygiene education program.

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1 E. A loan made to a recipient who fails to complete
2 the dental hygiene education program shall become due
3 immediately upon termination of the dental hygiene education
4 program. The department, in consultation with the loan
5 recipient, shall establish terms of repayment or alternate
6 service or shall negotiate cancellation terms.

7 F. The contract shall provide that the department
8 shall forgive a portion of the loan for each year that a loan
9 recipient practices as a licensed dental hygienist in an
10 underserved area. The loan shall be forgiven as follows:

11 (1) loan terms of one year shall require one
12 year of practice in an underserved area. Upon completion of
13 service, one hundred percent of the loan shall be forgiven; and

14 (2) loan terms of two years shall require one
15 year of practice in an underserved area for each year of the
16 loan. Upon completion of the first year of service, fifty
17 percent of the loan shall be forgiven. Upon completion of the
18 second year of service, the remainder of the loan shall be
19 forgiven.

20 G. Loan recipients shall serve a complete year in
21 order to receive credit for that year. The minimum credit for
22 a year shall be established by the department.

23 H. If a loan recipient completes a dental hygiene
24 education program and does not serve in an underserved area,
25 the department shall assess a penalty of up to three times the

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1 principal due, plus eighteen percent interest, unless the
2 department finds acceptable extenuating circumstances for why
3 the loan recipient cannot serve. If the department does not
4 find acceptable extenuating circumstances for the loan
5 recipient's failure to serve in an underserved area, the
6 department shall require immediate repayment of the loan plus
7 the amount of any interest and penalty assessed pursuant to
8 this subsection.

9 I. The department shall adopt rules to implement
10 the provisions of this section. The rules may provide for the
11 repayment of loans in annual or other periodic installments.

12 Section 6. DENTAL HYGIENIST STUDENT LOAN FOR SERVICE FUND
13 CREATED--METHOD OF PAYMENT.--The "dental hygienist student loan
14 for service fund" is created in the state treasury. Money
15 appropriated for loans to dental hygiene students pursuant to
16 the Dental Hygienist Student Loan for Service Act shall be
17 credited to the fund and payments of principal and interest on
18 loans made pursuant to that act received by the department
19 shall be deposited with the state treasurer for credit to the
20 fund. Payments for loans shall be disbursed on warrants signed
21 by the secretary of finance and administration upon vouchers
22 signed by the secretary of higher education or the secretary's
23 authorized representative.

24 Section 7. CANCELLATION.--The department is authorized to
25 cancel any contract made between it and a loan recipient for

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1 any reasonable cause deemed sufficient by the department.

2 Section 8. REPORTS.--The department shall make annual
3 reports to the governor and to the legislature, prior to each
4 regular session, of its activities, the loans granted, the
5 names and addresses of loan recipients and the dental hygiene
6 education programs attended by those recipients, and the names
7 and locations of the practices of the loan recipients who have
8 completed their education and begun service.

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